

New Jersey Public Broadcasting Authority Meeting of the Members of the Board

December 19, 2013 at 2:00 p.m.

Department of the Treasury
Conference Room and by Conference Call
New Jersey State House
125 W. State Street
Trenton, New Jersey 08608

MINUTES

Andrew Sidamon-Eristoff, Chair, Presiding

Minutes of the meeting of the New Jersey Public Broadcasting Authority ("NJPBA" or "Authority") held at the Conference Room of the Department of the Treasury at the New Jersey State House, 125 W. State Street, Trenton, New Jersey, 08608, on December 19, 2013 at 2:00 p.m.

1. CALL TO ORDER, OPEN PUBLIC MEETINGS ACT STATEMENT AND ROLL CALL

Chair of the NJPBA Board, Mr. Andrew Sidamon-Eristoff, called the meeting to order. Chair Sidamon-Eristoff read the Open Public Meetings Act statement as follows: In accordance with the provisions of the Open Public Meetings Act of the State of New Jersey, notice of this meeting has been filed with the Office of the Secretary of State, has been posted on the appropriate bulletin boards maintained for such purposes by the Authority, and distributed by press release to two daily newspapers in New Jersey. Notice was made in advance of this meeting.

Chair Sidamon-Eristoff then requested a roll call. NJPBA Members present and participating at the meeting were Chair Sidamon-Eristoff; Vice Chair Cornell W. Brooks; and Anthony Della Pelle. Also present and participating were Kavin K. Mistry, Assistant Attorney General; John Blair, NJPBA Executive Director; John Servidio, General Manager of Public Media NJ, Inc.; Debra Falk, Director of Communications, Public Media NJ, Inc.; Rick Williams, NJPBA Director of Engineering; Steven Petrecca, Assistant State Treasurer; Amy Herbold, Governor's Authorities Unit; and Nichol R. Gee, NJPBA Office Manager (*taking minutes*).

2. RESOLUTION APPROVING THE MINUTES OF THE JULY 31, 2013 MEETING

Chair Sidamon-Eristoff asked for a motion to approve a Resolution Approving the Minutes of the July 31, 2013 Meeting. Mr. Della Pelle made a motion to approve the resolution. Vice Chair Brooks seconded the motion. Chair Sidamon-Eristoff asked for a roll call vote. The motion to approve the Resolution Approving the Minutes of the July 31, 2013 Meeting was voted upon and approved unanimously.

3. REPORT FROM PUBLIC MEDIA NJ, INC.

Chair Sidamon-Eristoff asked Mr. John Servidio, General Manager of Public Media NJ, Inc. ("PMNJ") to present his report. Mr. Servidio referenced a PowerPoint presentation.

Mr. Servidio stated that NJTV was averaging over 30 hours per week of New Jersey-centric programming, exceeding the minimum number of hours required under the Programming and Services Agreement between PMNJ and NJPBA. A PowerPoint slide displayed the total number of New Jersey-centric hours of programming that were broadcast in recent months. Mr. Servidio described some of the New Jersey-centric programming presented on NJTV.

Mr. Servidio stated that ratings for NJTV stayed about the same as they were in the previous year and that approximately 2.2 million people were tuning in to NJTV each month. Ms. Falk stated that online viewing had significantly increased since October 2012, and that in 2014 there would be a campaign to promote online viewing. Ms. Falk stated that followers on Facebook and Twitter had also increased.

Mr. Servidio stated that PMNJ was developing a strategic plan for the next three years and explained its mission, purpose, and ambition. Mr. Servidio stated that PMNJ identified four strategic pillars, as follows:

- 1) more robust new, public affairs, and business coverage;
- 2) more arts, history and culture local programming;
- 3) increasing overall network awareness; and
- 4) sustainability.

Mr. Servidio discussed PMNJ's initiatives for each pillar with the Members. With respect to the first pillar, Mr. Servidio stated that PMNJ was looking for a part-time business news reporter to do a couple stories per month on the nightly news program, which was rebranded as *NJTV News with Mike Schneider*. Mr. Servidio said the three year plan included expanding news coverage to include a live broadcast each morning and also possibly in the afternoon.

For the second pillar, Mr. Servidio stated that PMNJ was seeking funding for a full-time arts reporter that could prepare one to two feature stories each week. Mr. Servidio said that NJTV produced *Latino Americans of New York and New Jersey*, which aired on all

of the WNET stations with great audience response. Mr. Servidio said NJTV just finished producing *American Songbook at NJPAC*, a six-part arts series scheduled to debut in January 2014.

Mr. Servidio stated that the third pillar, network awareness, had always been a challenge for the stations, going to back to the New Jersey Network (“NJN”) days. There was a discussion about promotion of the stations and market research.

Mr. Servidio stated that to fulfill the fourth pillar of sustainability, PMNJ needed to be self-sufficient and continue to grow over the next five years. To this end, Mr. Servidio said that PMNJ was finalizing a broadcast agreement with the New Jersey State Lottery, cultivating a list of new revenue sources, and exploring partners and potential sites for a new NJTV studio. Mr. Servidio stated that PMNJ was looking for about 1,200 to 1,500 square feet in Newark, New Jersey, but was also talking with Montclair State University about what would be necessary for PMNJ to remain there.

Mr. Servidio reviewed NJTV’s revenue and expenses for 2013, noting that \$600,000 was shaved off the operational expenses for *NJTV News*. Chair Sidamon-Eristoff asked how PMNJ balanced the diverse interests in programming and services in New Jersey. There was a discussion about the need for research, funding, and community engagement.

4. REPORT FROM THE ARCHIVES COMMITTEE

Chair Sidamon-Eristoff asked Vice Chair Cornell Brooks, Chairman of the Archives Committee, to present a report on the status of the Archives. Vice Chair Brooks thanked Mr. Blair and the NJPBA staff for their work on the Archives. Vice Chair Brooks said that in the fall, approximately 3,200 tapes were shipped to be digitized and preserved under the Authority’s agreement with the Corporation for Public Broadcasting (“CPB”). Vice Chair Brooks stated that these tapes included the gubernatorial materials which the Eagleton Institute of Politics at Rutgers University was interested in. Vice Chair Brooks stated that NJPBA was continuing the partnership with WNET and NJTV to focus on the next steps for preserving the Archives and to seek more funding from the Robert Wood Johnson Foundation (“RWJ”). Vice Chair Brooks said RWJ would be looking for matching funding for the next grant. He said NJPBA planned to use the CPB project toward that match and to also leverage funding around specific programs in the Archives.

5. REPORT FROM THE AUDIT COMMITTEE

Chair Sidamon-Eristoff asked Mr. Anthony Della Pelle, Chairman of the Audit Committee, to present a report on the Fiscal Year 2013 Audit. Mr. Della Pelle stated that the Audit Committee had met with the auditors earlier that week, and the Members had a presentation of the report from the auditors in their meeting packets. Mr. Della Pelle said that the audit had gone well, and there were no carry over issues from the transition in operating models as there had been previously. Mr. Della Pelle briefly reviewed the

financial statements with the Members and stated that the Audit Committee recommended that the Board accept the Fiscal Year 2013 Audit Report.

**6. RESOLUTION OF THE NEW JERSEY PUBLIC BROADCASTING
AUTHORITY ACCEPTING THE FISCAL YEAR 2013 AUDIT REPORT**

**RESOLUTION OF THE NEW JERSEY PUBLIC BROADCASTING AUTHORITY
ACCEPTING THE FISCAL YEAR 2013 AUDIT REPORT**

WHEREAS, the New Jersey Public Broadcasting Authority (the "Authority") was created pursuant to the New Jersey Public Broadcasting Authority Act of 1968, L. 1968, c. 405, as amended (the "Original Act"), including by the New Jersey Public Broadcasting System Transfer Act, L. 2010, c. 104 (the "Transfer Act," and together with the Original Act, the "Act"); and

WHEREAS, the Audit Committee established pursuant to Article IX, Section 1 of the By-Laws and in accordance with the requirements of Executive Order No. 122 (McGreevey 2004) ("EO 122") has reviewed the Independent Auditor Report from the firm of Mercadien, P.C., the Independent Auditor to the Authority, for Fiscal Year 2013 ("Fiscal Year 2013 Audit Report"); and

WHEREAS, the Audit Committee recommends acceptance of the Fiscal Year 2013 Audit Report by the Authority; and

WHEREAS, the Authority desires to accept the Fiscal Year 2013 Audit Report.

**NOW, THEREFORE, BE IT RESOLVED BY THE NEW JERSEY PUBLIC
BROADCASTING AUTHORITY AS FOLLOWS:**

1. The Authority hereby accepts the Fiscal Year 2013 Audit Report from the firm of Mercadien, P.C., the Independent Auditor to the Authority.
2. This resolution shall take effect immediately in accordance with the Act.

Chair Sidamon-Eristoff asked for a motion to approve the Resolution of the New Jersey Public Broadcasting Authority Accepting the Fiscal Year 2013 Audit Report. Mr. Della Pelle made the motion to approve the resolution. Vice Chair Brooks seconded the motion. Chair Sidamon-Eristoff asked for a roll call vote. The motion to approve the Resolution of the New Jersey Public Broadcasting Authority Accepting the Fiscal Year 2013 Audit Report was voted upon and approved unanimously.

7. REPORT FROM THE EXECUTIVE DIRECTOR

Chair Sidamon-Eristoff asked Executive Director John Blair to report to the Board. Mr. Blair asked Mr. Williams to update the Members on the tower lighting and painting capital projects underway. Mr. Williams stated that he was working with the Department of Property Management and Construction (“DPMC”) to draft a Request for Proposal for the projects, and he anticipated that contracts would be awarded at the end of February 2014, with the work starting in early spring 2014. Chair Sidamon-Eristoff asked Mr. Blair to review capital project planning at the next Board meeting.

Mr. Blair discussed the impending spectrum changes and auction initiated by the Federal Communications Commission (“FCC”). Mr. Blair stated that the project had been delayed for some time but was starting to move forward again. Mr. Blair walked the Members through a PowerPoint presentation that was developed to explain the project to the CPB board.

Mr. Blair explained that the FCC’s broadband plan gave stations incentives to leave or share space in the spectrum so that the remaining signals in use could be repackaged in such a way as to free up 120 MHz of bandwidth. Mr. Blair stated that the project was twofold. First there would be a reverse auction where stations would bid to either relinquish bandwidth back to the FCC, share with another station, or move from UHF to VHF channels. Then there would be a forward auction where the FCC would sell the bandwidth to other companies. Mr. Blair stated that many stations would need to move to new channels, which would require the purchase of new equipment, and that while the FCC had allocated funding to reimburse stations’ expenses, there was concern about whether or not it was enough. Mr. Blair was also concerned about how the NJPBA would fund these expenses up front.

There was discussion about how many viewers would be impacted by these changes since only a small percentage of households receive television programming over-the-air. Mr. Williams stated that 95% of viewers in the New York market did not receive a signal over the air, and that the percentage in the Philadelphia market was in the high 80s.

Mr. Blair stated that it might be possible for the NJPBA to vacate the channel in Montclair and move the Trenton channel with little impact to the viewers. Since these stations were in the number one New York and number four Philadelphia markets, Mr. Blair stated that the combined value of those channels could be in the tens of millions of dollars at auction. Mr. Blair said a consultant would need to be hired to provide a valuation for the channels and fully evaluate NJPBA’s options. Additionally, Mr. Blair said that the loss of two transmitters could result in a reduction of the annual Community Service Grant from CPB, but the funds raised from the auction could be used to cover the expenses of this transition and establish an endowment for public media in New Jersey.

Mr. Blair stated that the FCC was expected to issue rules for the auction in early 2014, and that the entire transition would be completed by approximately 2022. Mr. Blair said it was important to start educating the New Jersey legislators because new legislation

would be required for the NJPBA to participate in the auction since the New Jersey Public Broadcasting System Transfer Act prohibited the NJPBA from selling television licenses. Mr. Della Pelle asked if any New Jersey congressmen were involved in the process at the national level. Mr. Blair said he would research that question. Chair Sidamon-Eristoff stated that the New Jersey policy makers would ultimately be the ones to decide how the funds would be received and dispersed.

8. RESOLUTION APPROVING A SECOND AMENDMENT OF A TOWER ACCESS AND LICENSE AGREEMENT BETWEEN SUBCARRIER COMMUNICATIONS, INC AND THE NEW JERSEY PUBLIC BROADCASTING AUTHORITY

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WHEREAS, the Authority entered into a lease agreement with Subcarrier Communications dated July 11, 2012 (the “Original Agreement”), and a First Amendment on July 31, 2013 (the “First Amendment, and together with the Original Agreement, the “Agreement”), for the purpose of installing radio frequency equipment at the Authority’s broadcasting tower located at 7 Geiger Lane, located in the Municipality of Warren, in the County of Somerset, State of New Jersey (the “WNJB Tower”);

WHEREAS, Licensee desires to add equipment to the Agreement as specified in Amendment (“Second Amendment”) attached hereto as Exhibit A;

WHEREAS, Subcarrier is authorized to install such electrical equipment as approved by the Authority’s engineering department and consistent with current standards, codes, and policies; and

WHEREAS, the Authority wishes to approve the Second Amendment.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY PUBLIC BROADCASTING AUTHORITY AS FOLLOWS:

1. The Members of the Authority hereby approve the Second Amendment attached hereto as Exhibit A, in substantially the form presented to at this meeting and authorize the Executive Director to execute and deliver the Second Amendment, with

such changes, revisions and omissions in consultation with the Office of the Attorney General.

2. The Members of the Authority hereby approve the execution and delivery of any documents necessary to effectuate and implement the Second Amendment, and authorize the Executive Director to take any and all action necessary to effectuate and implement the Second Amendment, including, but not limited to, execution and delivery of documents in connection therewith.

3. This resolution shall take effect immediately in accordance with the Act.

Chair Sidamon-Eristoff asked for a motion to approve the Resolution Approving a Second Amendment of a Tower Access and License Agreement Between Subcarrier Communications, Inc and the New Jersey Public Broadcasting Authority. Vice Chair Brooks made the motion to approve the resolution. Mr. Della Pelle seconded the motion. Chair Sidamon-Eristoff asked for a roll call vote. The motion to approve the Resolution Approving a Second Amendment of a Tower Access and License Agreement Between Subcarrier Communications, Inc and the New Jersey Public Broadcasting Authority was voted upon and approved unanimously.

9. EXECUTIVE SESSION (*if necessary*)

Chair Sidamon-Eristoff asked if there was any need to enter into Executive Session. The Members demurred. No Executive Session was held.

10. OTHER BUSINESS (*if any*)

Chair Sidamon-Eristoff asked if there was any other business to discuss. No further discussion occurred.

11. PUBLIC COMMENTS

Chair Sidamon-Eristoff asked if any members of the public wanted to make a comment. No members of the public spoke before the Board.

12. ADJOURNMENT

Chair Sidamon-Eristoff thanked everyone for their participation and asked for a motion to adjourn the meeting. Mr. Della Pelle made a motion to adjourn the meeting. Vice Chair Brooks seconded the motion. The motion was voted upon and approved unanimously. The meeting was adjourned at 4:09 p.m.